BILL ANALYSIS

Senate Research Center
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C.S.S.B. 380
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law allows doctors outside of the network of a patient's insurance plan to "balance bill" a patient for services provided that are not covered by the patient's insurance company. Although the hospital or clinic where the services were provided may be in the insurance company's network, often the patient is unaware that some of the facility's providers are not members of that network. As a result, patients are being billed for these services and other health-related costs without warning.

C.S.S.B. 380 requires health benefit plans, health care facilities, and facility-based physicians to disclose the possibility of balance billing for services provided to patients. This bill requires that disclosure to be provided in both English and Spanish.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 1456.007, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle F, Title 8, Insurance Code, by adding Chapter 1456, as follows:

CHAPTER 1456. DISCLOSURE OF PROVIDER STATUS

Sec. 1456.001. DEFINITIONS. Defines "balance billing," "enrollee," "facility-based physician," "health care facility," "health care practitioner," "health care provider," and "provider network."

Sec. 1456.002. APPLICABILITY OF CHAPTER. (a) Provides that this chapter applies to any health benefit plan (plan) that provides benefits for certain medical or surgical expenses, or that provides health and accident coverage through a risk pool as provided by Chapter 172 (Texas Political Subdivisions Uniform Group Benefits Program), Local Government Code, notwithstanding any other law.

(b) Provides that this chapter does not apply to plans that contract with the Health and Human Services Commission (HHSC) for the provision of medical assistance under Chapter 32 (Medical Assistance Program), Human Resources Code, or health benefits under the state child health plan.

Sec. 1456.003. REQUIRED DISCLOSURE: HEALTH BENEFIT PLAN. (a) Requires each plan that provides health care through a provider network (network) to provide a written notice to its enrollees that a facility-based physician or other health care practitioner (practitioner) might not be included in the plan's network and that a practitioner described in this section is authorized to bill the enrollee for the balance of amounts not paid for by the plan.

(b) Requires the plan to provide the disclosure to each enrollee in English and Spanish. Requires the disclosure to be provided in writing by the plan in certain documents and locations.

Sec. 1456.004. REQUIRED DISCLOSURE: HEALTH CARE FACILITY. Requires each health care facility (facility) that has entered into a contract with a plan to serve as a provider in the plan's network to provide oral information to each enrollee receiving services at the facility in English or the enrollee's primary language, if possible, that a facility-based physician or other health care practitioner (practitioner) might not be included in the plan's network and that a practitioner described in this section is authorized to bill the enrollee for the balance of amounts not paid by the plan.

(b) Requires the facility to provide the disclosure as a notice written in English and Spanish to each enrollee, in addition to the required oral disclosure.

(c) Requires the facility to provide both the oral and written notice required under this section at the time the enrollee is first admitted to the facility or first receives services at the facility.

(d) Requires the hospital that provides services in the hospital's emergency department services or as a result of an emergent direct admission to provide the oral information required under Subsection (a) and the written notice required under Subsection (b) before discharge from the hospital or the emergency department, as appropriate.

(e) Requires each facility to post the written notice in each public reception area and in any publicly accessible billing office in the facility in an appropriate format.

Sec. 1456.005. REQUIRED DISCLOSURE: FACILITY-BASED PHYSICIANS. (a) Requires a facility-based physician (physician), who is not contracted with a plan but treats an enrollee of the plan, to send the enrollee a billing statement in English and Spanish that contains certain information.

(b) Authorizes an enrollee, for purposes of Subsection (a)(6), to be considered by the physician to be out of substantial compliance with the payment plan agreement if payments are not made in compliance with the agreement for a period of 90 days.

Sec. 1456.006. DISCIPLINARY ACTION AND ADMINISTRATIVE PENALTY. (a) Requires the commissioner of insurance (commissioner) to take disciplinary action against a plan issuer who violates this chapter in accordance with Chapter 84 (Administrative Penalties), Insurance Code. Provides that a health care provider found violating this chapter is subject to disciplinary action by the appropriate regulatory agency (agency).

(b) Provides that a health care provider or a physician found violating this chapter is subject to disciplinary action by the agency that licensed, certified, or registered the provider or the physician.

(c) Requires the agency to notify a provider or physician of a finding of a violation of or under this chapter by the agency and to provide the provider or physician with the opportunity to correct the violation in a timely manner.

(d) Provides that complaints brought under this section do not require a determination of medical competency and that Section 154.058 (Determination of Medical Competency), Occupations Code, does not apply.

Sec. 1456.007. COMMISSIONER RULES; FORM OF DISCLOSURE. Authorizes the commissioner, by rule, to prescribe specific requirements for the written disclosures required by this Act. Requires the form of the disclosure of plans and facilities to be in English and in Spanish. Sets forth the substance of the disclosure's language.

SECTION 2. Effective date: upon passage or September 1, 2007.